

via its Ricochet microcell system.²⁰⁷ And Lucent has developed a wireless end-to-end network solution that will allow companies to offer consumers and businesses a direct high-speed wireless connection to the Internet.²⁰⁸

Satellite. Satellite services provide subscribers with yet another option for Internet access that includes transport and connectivity. For example, DirecPC, a product of Hughes Network Systems, enables consumers to access the Internet at high speeds through digital satellite transmissions.²⁰⁹ The Chairman of Hughes has announced that the DirecPC system is up and running and ready to compete with other high-speed services.²¹⁰ AOL and Hughes have reached an agreement to develop dual purpose AOL TV/DirecTV set top boxes, and by early next year AOL's Internet access service will be available nationwide via the DirecPC satellite network.²¹¹ Teledesic, another global satellite concern, is spending \$9 billion on its "Internet-in-the-Sky" project, which will provide consumers with affordable, worldwide, "fiber-like" access to telecommunications services such as broadband Internet access, video-

²⁰⁷ *Metricom Gets \$600 Million Equity Jolt From Vulcan, MCI Worldcom*, TR Daily (June 21, 1999). As part of the transaction, MCI Worldcom signed a non-exclusive wholesale agreement with Metricom to market and sell a co-branded high-speed Internet service. Bob Sullivan, *Wireless Internet Service Gets \$1 Billion Boost From Allen, MCI* (June 21, 1999) <www.msnbc.com/news/282296.asp>.

²⁰⁸ *Lucent Technologies Introduces Industry's Most Comprehensive Network Solution for High-Speed Wireless Access to the Internet*, PR Newswire (March 18, 1999).

²⁰⁹ *See Hughes Network Systems Launches DirecPC 2.0 With New Service Pricing, Bundled ISP Service, Electronic Program Guide, Turbo Webcast and Turbo Newscast; Latest Version of DirecPC Offers Customers the Ultimate in Speed, Service and Convenience* (June 23, 1998) <www.direcPC.com/about/pr_20.html>.

²¹⁰ STREET SIGNS, *The Faber Report: Interview with Michael Smith, Chairman and CEO of Hughes Electronics* (CNBC Broadcast June 21, 1999).

²¹¹ *AOL, Hughes in \$1.5 Billion Marketing Agreement*, TR Daily (June 21, 1999).

conferencing, and high-quality voice and digital data service beginning in 2003 using a constellation of 288 low-Earth-orbit satellites.²¹²

In March 1999, Hughes announced that it will invest \$1.4 billion in a two-way broadband data satellite network, Spaceway, that will begin providing service in the United States by the year 2002.²¹³ Hughes' goal for the Spaceway project is to provide customers with two-way, high speed Internet access using small dish antennas.²¹⁴ Other satellite-based providers, including Motorola, Lockheed Martin, Alcatel Espace, and Loral, are projected to invest over 25 billion dollars to establish their broadband satellite services in the next decade.²¹⁵ According to industry analysts, these emerging broadband satellite providers will offer their services to a wider market, including consumers.²¹⁶

Others. In addition to all this, there are thousands of dial-up ISPs that offer Internet access service across the nation. These ISPs generally provide connectivity and varying degrees of content. They may also offer bundled packages that include transport over ILEC or CLEC phone lines. A few large companies serve the vast majority of subscribers – AOL has

²¹² See *Teledesic, Motorola, Boeing, Matra Marconi Space to Partner on 'Internet-in-the-Sky,' Motorola Will Lead Global Industrial Team*, (May 21, 1998) <www.teledesic.com/newsroom/05-21-98.html>. See also *In the Matter of En Banc Hearing on Broadband Services* (July 9, 1998), Transcript Comments of Scott Hooper, co-CEO of Teledesic and Chairman of Nextlink Communications at 9-13 <www.fcc.gov/enbanc/070998/eb070998.html>.

²¹³ See *Hughes Invests \$1.4B in Network* (March 17, 1999) <www.mercurycenter.com>.

²¹⁴ *Putting the Internet in Orbit*, Washington Post, at F5 (April 12, 1999).

²¹⁵ See generally Pioneer Consulting, *Global Broadband Access Markets*, Executive Summary (1998).

²¹⁶ See Pioneer Consulting, *Satellite Data Networks: The Internet's Next Frontier*, Executive Summary at 7 (1997).

almost 18 million subscribers,²¹⁷ Microsoft has 1.7 million,²¹⁸ Earthlink has 1.1 million²¹⁹ and Prodigy has 700,000²²⁰ members.

Many ISPs are beginning to offer Internet access services over broadband facilities as well. AOL has formed strategic alliances with SBC and Bell Atlantic to provide high-speed connectivity for its customers through the ILECs' ADSL networks.²²¹ AOL describes DSL as a "fabulous technology"²²² and predicts that it will be able to provide DSL-based Internet service to more than half of its customers by the end of 1999.²²³ If AOL's negotiations with U S WEST and BellSouth are successful, "AOL's [DSL offerings] would blanket the country."²²⁴ Prodigy has also announced an alliance with Bell Atlantic to provide DSL services to Prodigy customers in Bell Atlantic's service areas, which it says is the first step

²¹⁷ See Ted Bridis, *Microsoft Browser Is Winner – Except in Court*, San Diego Union-Tribune, May 25, 1999.

²¹⁸ Leslie Walker, *Rivals Cede Throne to AOL*, Washington Post, at E1 (April 8, 1999).

²¹⁹ *EarthLink Surpasses One Million Members*, Jan. 4, 1999 <www.earthlink.net/about/pr/1mm.html>.

²²⁰ Walker *supra* n.218.

²²¹ See *America Online and SBC Communications to Offer High Speed Upgrade to AOL Members* <www-db.aol.com/corp/news/press/view?release=579>; *AOL to Utilize SBC's DSL Service to Offer High Speed Upgrade to Members in Pacific Bell, Southwestern Bell and Nevada Bell Regions*, (March 11, 1999) <www.businesswire.com>; *America Online and Bell Atlantic Form Strategic Partnership to Provide High-Speed Access for the AOL Service* <www-db.aol.com/corp/news/press/view?release=544>.

²²² Weber and Mehta *supra* n.174.

²²³ Bernhard Warner, *AOL Set to Rumble on AtHome's Turf* (March 11, 1999) <www.thestandard.net/articles/display/0,1449,3795,00.html>.

²²⁴ Weber and Mehta *supra* n.174.

in its plan to make high-speed access available to its customers nationwide.²²⁵ In addition, AOL has noted that it – and presumably other ISPs – can take other steps, such as caching, to satisfy customers who desire higher speeds.²²⁶

* * *

Clearly, the Internet access market is competitive, with numerous companies offering services to residential subscribers “over a variety of media using a variety of technologies.”²²⁷ The number and variety of companies providing the various components of Internet access demonstrate that there are multiple competitive strategies for delivering Internet services to consumers. As the foregoing discussion demonstrates, there is no “best” arrangement for providing Internet access to consumers. This proliferation of alternative approaches to providing Internet access services is a sign of the robust marketplace competition that the Commission seeks to promote. Certainly, as set forth below, there are no issues specific to the Merger that require the regulation of AT&T and MediaOne’s cable Internet offerings.

2. The Merger will Not have any Anticompetitive Effects in the Internet Access Services Market

Because the Internet access services market is competitive, and the “preconditions for monopoly appear absent,”²²⁸ the Merger will not have any anticompetitive effects. AT&T’s post-Merger interest in two firms that provide Internet access services over cable facilities in no

²²⁵ *Prodigy, Bell Atlantic Join in DSL Access Alliance*, TR Daily (May 25, 1999).

²²⁶ See Vradenburg Interview, *supra* n.175.

²²⁷ *AT&T-TCI* ¶ 60. See also *AT&T-TCI* ¶ 93; *706 NOI Report* ¶ 48.

²²⁸ See *706 NOI Report* ¶ 48.

way changes that conclusion. AT&T's cable Internet service subscribers, as well as its other Internet customers, will continue to have numerous broadband and narrowband alternatives available to obtain Internet access services. No firm will be able to raise prices as a result of the Merger.

a. Residential Internet access services will remain competitive post-Merger

After the Merger, A&T will have a very small share of the residential Internet access services market.²²⁹ Moreover, residential customers will continue to have dozens of alternatives to choose from to obtain Internet access – available over both broadband and narrowband facilities. As the Commission concluded when it reviewed the AT&T-TCI merger, there are, in fact, “a large number of firms providing Internet access services” in markets that are already “quite competitive.”²³⁰ Because the Merger will not significantly reduce overall consumer choice for Internet access services, it does not raise any competitive concerns.

Even focusing solely on services offered over broadband facilities, the foregoing analysis does not change. As set forth above, many firms are deploying or beginning to deploy high-speed Internet access services using a wide range of alternative technologies, including DSL, satellite, fixed wireless, and others.²³¹ AT&T will reach a *de minimis* share of this

²²⁹ Even treating this transaction as a merger of WorldNet, @Home and Road Runner, which it is not, AT&T would have less than 2.4 million out of approximately 33.7 million subscribers in an increasingly competitive market (about a seven percent share).

²³⁰ *AT&T-TCI* ¶ 93.

²³¹ *See id.* ¶ 94.

sector.²³² The availability of so many alternatives ensures a competitive environment in which any attempted price increase would surely be defeated.

b. The Merger will not impede access to Internet content

The Merger will not create impediments to Internet access. To begin with, even if this transaction were a merger between WorldNet, @Home and Road Runner, which it is not, the merged company would not have monopoly power in the “sale” of Internet access. Combined, these services would reach a trivial share of the market. Any attempt by WorldNet, @Home, and Road Runner to foreclose subscriber access to Internet content could easily be defeated by consumers switching to other Internet access providers.

Arguments about foreclosing access also fail to recognize that WorldNet, @Home, and Road Runner have no incentive to engage in such behavior. To the contrary, unreasonable content restrictions imposed by any of these companies, or their cable system affiliates, would cause subscribers to switch to other ISPs. Because the cable Internet services in particular do not have many subscribers, any subscriber losses would have dramatic consequences far outweighing the purported “benefits” of imposing anticompetitive restrictions.²³³ Thus, it makes no sense to argue, as some have, that the provision of Internet

²³² The company will have less than 200,000 cable Internet subscribers through its cable systems. AT&T will not “control” @Home or Road Runner’s day-to-day operations, but even assuming *arguendo* that it would, the @Home and Road Runner combined subscriber count would be only about 600,000 – still a very small number of subscribers.

²³³ For this reason, concerns that have been raised about legitimate restrictions imposed on the @Home and Road Runner services to limit video streaming applications are entirely misplaced. Cable Internet services actually *expand* the number of Internet applications available to consumers. Ancillary restrictions on the use of these services, which help manage bandwidth
(Continued . . .)

access services over cable facilities will lead to anti-competitive restrictions on access to Internet content.

Moreover, WorldNet, @Home, and Road Runner already provide an open environment through which subscribers can reach any available content on the Web. AT&T is pledged to ensuring that cable Internet access service subscribers are just “one click away” from all Internet content.²³⁴ In addition to the proprietary and tailored content available to them, many WorldNet, @Home, and Road Runner subscribers also access proprietary content from providers not affiliated with AT&T or MediaOne. As the Chairman of AT&T has stated, “[w]e want to encourage as much content as possible.”²³⁵

In fact, competition will create incentives for ISPs to *expand* the array of content available to their subscribers, to improve the quality of the content that does exist, and to provide easier access to the content that subscribers prefer. This is particularly true for services like @Home and Road Runner, which rely on an innovative and untested technology.

(. . . Continued)

utilization, are entirely reasonable. Moreover, consumers have a wide range of alternatives available to them if they consider such time restrictions too limiting.

²³⁴ See *AT&T-TCI* ¶ 72 n.212 (referencing @Home’s commitment to “full and open access to the entire Web” following its merger with Excite); *id.* ¶ 95 (referencing AT&T’s commitment to ensure that @Home subscribers have access to unaffiliated online services after the merger). *Cf. id.* ¶ 96 (concluding that nothing about the AT&T-TCI merger would deny any customer the ability to access the Internet content or portal of his or her choice, based on the representations described above).

²³⁵ C. Michael Armstrong, *Cable Ready: Convergence and the Communications Revolution*, Remarks before the National Cable Television Association (June 14, 1999) <www.att.com/speeches>. See also C. Michael Armstrong, *Telecom and Cable TV: Shared Prospects for the Communications Future*, Remarks before the Washington Cable Club, (Nov. 2, 1998) (“Our message to the largest OSP and all the others couldn’t be more direct: if you’ve got a service our customers want, we want you on our system.”).

Nor is there any basis for concluding that AT&T would have the incentive or ability to restrict @Home and Road Runner subscriber access to the Internet after the Merger. Because the popularity of cable Internet services has still not been proven, there is no incentive for AT&T to restrict their utility and appeal to consumers. Moreover, as content and applications tailored specifically to the broadband environment are developed and marketed, AT&T will instead have every incentive to make them more accessible to their subscribers – not to restrict access. After all, consumer acceptance of cable Internet services will be driven by the availability of such content, the development of which is still in its infancy. Restricting access would undercut the tremendous investment in broadband facilities both AT&T and MediaOne have already made. For these reasons, there is no basis to conclude that access to content will be restricted by the Merger.

In addition, AT&T will not have the ability to foreclose access to its cable subscribers by Internet content providers. Such an attempt would fail because these subscribers could access the same content through alternative ISP or OSP services. Thus, any attempt by AT&T to restrict the content available to subscribers of @Home or Road Runner services would prove futile.

If and when content providers develop services that are dependent upon broadband “last-mile” transport, the situation will be no different. Already today, numerous broadband alternatives exist or are close to market. Cable Internet services have no proven marketplace advantage over other broadband providers; consumers should be allowed to make that choice for themselves. Because consumer acceptance of broadband Internet access services may well hinge upon ready access to a wide range of content, there is no basis for concluding that content providers will have difficulty in reaching AT&T cable subscribers post-Merger.

c. AT&T's ownership interest in @Home and Road Runner raises no anticompetitive concerns

The Merger is expressly not a merger of Road Runner and @Home. AT&T's ownership interest in both companies after the Merger will raise no anticompetitive issues, for several reasons. First, cable companies that wish to provide their subscribers with high speed Internet access have several options.²³⁶ In addition to @Home and Road Runner, there are many companies that compete to provide Internet services in conjunction with cable operators. For example, Convergence.com Corp., founded in 1994, was one of the earliest providers of cable Internet services. By early 1999, that company had made cable modem service available to 300,000 homes in at least eight service areas.²³⁷ In 1998, High Speed Access Corp. offered its service in fourteen service areas.²³⁸ The ISP Channel has agreements with twenty-three cable operators through which it passes 1.6 million homes.²³⁹ Knology provides a cable modem Internet service called "OloBahn," and has also partnered with ISPs MindSpring and A World of Difference to provide cable Internet services in certain of its service areas.²⁴⁰ And Earthlink, one of the largest ISPs in the United States, offers high-speed Internet access using cable modem

²³⁶ Each of the 18 largest cable operators, and many smaller cable operators as well, are beginning to deploy cable Internet services in the communities they serve. See Comments of the National Cable Television Association, *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion*, CC Docket No. 98-146, at 8 (FCC Sept. 14, 1998).

²³⁷ See <www.cabledatacomnews.com/cmhc/cmhc5.html>.

²³⁸ Mike Farrell, *Vulcan Lords Over HAS*, Multichannel News Online (April 5, 1999) <www.multichannel.com>.

²³⁹ See <www.ispchannel.com/press/11may99.html>.

²⁴⁰ See, e.g., *Knology Adds ISP to Charleston Net*, Multichannel News Online, March 22, 1999 <www.multichannel.com>; KNOLOGY - Internet <<http://www.knology.com/internet.cfm>>.

technology in six service areas,²⁴¹ while Internet Ventures Inc. has launched its “PeRKInet” cable Internet service in two service areas in California.²⁴² Thus, any attempt by @Home or Road Runner to charge supracompetitive prices to cable systems for the inputs they provide would simply drive these cable systems to these competitors.

Even if such alternatives did not currently exist, @Home and Road Runner face competition from any company willing to make the necessary investments to provide the same services. Although @Home and Road Runner have invested in developing an Internet offering uniquely tailored to the cable environment, these companies use equipment from large commercial vendors. Other companies could lease Internet backbone services and combine them with caching and replication technologies like those used by @Home and Road Runner and to provide similar cable Internet services. And nothing prevents other ISPs from deploying their own content and special applications that could potentially appeal to consumers in the same way that @Home and Road Runner’s content and applications do. For all of these reasons, numerous companies are well-poised to provide the same inputs that @Home and Road Runner provide to cable operators.

Most importantly, even if there were no alternatives to @Home and Road Runner, and no ability to replicate the inputs that they provide, there would still be not anticompetitive concerns. As clearly demonstrated above, there are a broad range of choices for broadband

²⁴¹ See *Charter Pipeline Powered by EarthLink* <www.earthlink.net/home/highspeed/cable>.

²⁴² See, e.g., *Internet Ventures, Inc., Sun Country Cable to Launch PeRKInet Service in California* (April 27, 1998) <<http://www.ivn.net/news/042798.html>>.

Internet access, including DSL and satellite.²⁴³ Thus, even a “monopoly” cable Internet service provider could not harm consumers because any attempt to charge supracompetitive input prices would be cause cable ISPs to lose customers to their telephone and satellite delivered rivals.

d. The availability of an integrated cable Internet service that brings together high-speed access and enriched content does not present any anticompetitive concern

The Commission has already determined not to require the “unbundling” of cable Internet services so as to require the provision of a pure “transport” capacity by cable operators.²⁴⁴ Nothing about the Merger should affect the Commission’s prior analysis, nor will the Merger increase the amount of “bundling” in any case. Both @Home and Road Runner are already offered to residential customers as stand-alone, integrated cable Internet services. While the Merger could be seen as expanding AT&T’s total number of Internet access “subscribers,” every one of these subscribers will continue to have numerous alternatives for Internet access.²⁴⁵

Allowing AT&T to offer integrated content and high-speed access through @Home and RoadRunner also furthers numerous pro-competitive policies. Most importantly, deployment of cable Internet services requires investments in network upgrades and consumer education. The Merger will further facilitate the necessary joint investments in and planned

²⁴³ Whether any of these competitors wins the “race to the home” is irrelevant, because none have unique advantages that guarantee they will dominate the market.

²⁴⁴ 706 NOI Report ¶ 101. Cf. AT&T-TCI ¶ 147 (noting that the merger will enhance competition and create more “customer choice among video- and content enriched high-speed Internet access services”).

²⁴⁵ Moreover, regardless of which technology gets to the home first, competitors will continue to offer alternative Internet transport arrangements.

deployment of new facilities. By contrast, forced unbundling would reduce investment incentives by increasing the likelihood of “free-riding” by third parties.

Even if the ability to offer an integrated service did not create substantial investment incentives, consumers benefit from the availability of such an offering – just as they do from the combination of content and facilities produced by television broadcasters and DBS operators,²⁴⁶ and the service bundles sold by online service providers. Like these other providers of “bundled” products, cable operators should be permitted to choose which “bundle” of services is most valued by their customers, and to add services only when they expect it makes sense to do so. Given the state of competition in this market, there is no reason to predict consumers will not receive the services they most value.

VI. PROCEDURAL MATTER

As the Commission is aware, MediaOne’s subsidiaries and affiliates hold a number of licenses to operate cable television relay systems, satellite earth stations, private point-to-point microwave, common carrier and private business radio stations. The Merger results in a transfer of control of all of these authorizations. Given the ongoing regulatory activity of MediaOne, including the need for MediaOne to file numerous applications with the Commission during the period in which the instant transfer of control applications will remain pending at the Commission, the Parties request that grant of the instant transfer of control applications include the authorization for AT&T to acquire control of: (1) any authorization

²⁴⁶ In fact, as noted, Hughes’ AOL-DirecTV represents such a bundled offering. The transport component offered by Hughes presumably is not available to other ISPs on an unbundled basis.

issued to MediaOne or its subsidiaries and affiliates during the Commission's consideration of the transfer of control applications and the period required for consummation of the transaction following approval; (2) construction permits held by licensees involved in this transfer of control that mature into licenses after closing and that may have been omitted from the transfer of control applications; and (3) applications that will have been filed by such licensees and that are pending at the time of consummation of the proposed transfer of control. Such action would be consistent with prior decisions of the Commission.²⁴⁷

²⁴⁷ *AT&T-TCI* ¶ 156.

AT&T CABLE OWNERSHIP¹

	ENTITY	OWNERSHIP ²	OWNERSHIP %	CABLE HOMES PASSED	SUBSCRIBERS	PURCHASES PROGRAMMING THROUGH AT&T
Owned and Operated Systems³	AT&T	AT&T	100%	17,249,000	10,670,000	Y
Consolidated Systems	Alabama T.V. Cable Inc.	TCI Cablevision of Alabama, Inc.	86.67%	40,000	27,000	Y
		William J. McDonald	6.67%			
		Locust Mountain Part II, L.P.	6.67%			
	Cablevision Associates of Gary Joint Venture	Cable Television of Gary, Inc.	90.00% general	40,000	18,000	Y
		Zarin Libauer Cablevision Corp.	10.00% general			
	District Cablevision Limited Partnership	TCI of D.C., Inc.	75.00% limited	262,000	110,000	Y
		District Cablevision, Inc.	25.00% general			
	InterMedia Partners	Various TCI Entities	97.981% limited	203,000	141,000	Y
		InterMedia Capital Management I, LLC	.002% general			
		InterMedia Capital Management, L.P.	2.017% limited			

¹ As of May 31, 1999. Does not include two systems that have less than 1,000 homes passed/subscribers.

² AT&T entities in bold.

³ AT&T systems with approximately 1,155,000 homes passed and approximately 735,000 subscribers will be transferred to Comcast upon consummation of the AT&T-MediaOne Merger. Comcast also has an option to acquire additional cable systems from AT&T. If Comcast exercises that option, the homes passed and subscriber numbers listed here will be reduced accordingly. In addition, AT&T recently entered into transactions to sell its interest in Falcon Communications, L.P., to reduce below 5% its interest in the cable systems currently owned by Bresnan Communications Co., Ltd. Partnership, and to sell its interests in certain cable systems to Cox Communications, Inc.

	ENTITY	OWNERSHIP	OWNERSHIP %	CABLE HOMES PASSED	SUBSCRIBERS	PURCHASES PROGRAMMING THROUGH AT&T
	Mile Hi Cable Partners, L.P.	Community Cable Television P&B Johnson Corp. Daniels Communications, Inc.	78.00% limited 21.00% general 1.00% limited	250,000	113,000	Y
	South Chicago Cable, Inc. (includes Communications & Cable of Chicago, Inc. and LaSalle Communications, Inc.)	TCI of Illinois TCID of Chicago, Inc. TCID of South Chicago, Inc. Numerous Small Investors	16.75% 33.25% 40.00% 10.00%	641,000	220,000	Y
	Tele-Communications of South Suburbia, Inc.	TCI of Illinois, Inc. John L. Cifelli	80.00% 20.00%	20,000	8,000	Y
	United Cable Television of Baltimore Limited Partnership	UCTC of Baltimore, Inc. UCTC LP Company Universal Telecom, Inc. Clarence Elder Barbara Elder Clarence and Barbara Elder Clarence and C. Lewis Elder Clarence and Lisa M. Elder Clarence and Leann Elder	1.000% general 82.878% limited 3.087% limited 5.459% limited 1.290% limited 4.798% limited 0.496% limited 0.496% limited 0.496% limited	297,000	110,000	Y

	ENTITY	OWNERSHIP	OWNERSHIP %	CABLE HOMES PASSED	SUBSCRIBERS	PURCHASES PROGRAMMING THROUGH AT&T
Non-consolidated Systems	Pamassos Communications, L.P.	TCI Adelphia Holdings, LLC	33.33% general	710,000	475,000	Y
		Adelphia Western New York Holdings, Inc.	66.57% general			
		Montgomery Cablevision, Inc.	0.10% limited			
	American Cable TV Investors 5, Ltd.	IR-TCI Partners V, L.P. (publicly traded units)	1.00% general 99.00% limited	32,000	20,000	Y
	Bresnan Communications Co. Ltd. Partnership	TCI Bresnan LLC Blackstone Entities BCI (USA), LLC (an affiliate of William J. Bresnan) William J. Bresnan	50.00% limited 39.40% limited 8.60% limited and 1.00% general 1.00% limited	949,000	640,000	Y
	Cablevision Systems Corporation	Country Cable III, Inc.; CCC Sub, Inc.; TCI CSC II, Inc.; TCI CSC III, Inc.; TCI CSC IV, Inc.; TCI CSC V, Inc.; TCI CSC VI, Inc.; TCI CSC VII, Inc.; TCI CSC VIII, Inc.; TCI CSC IX, Inc.; TCI CSC X, Inc.; and TCI CSC XI, Inc.	33 % in the aggregate	5,126,000	3,419,000	N
	Falcon Communications, L.P.	TCI Falcon Holdings, LLC Falcon Holding Group, L.P.	45.9474% general 54.0526% general/limited	1,626,000	955,000	Y
	Insight Communications of Indiana, LLC	TCI of Indiana Holdings, LLC Insight Communications Company, L.P.	50.00% member 50.00% member (mgr)	471,000	319,000	Y

	ENTITY	OWNERSHIP	OWNERSHIP %	CABLE HOMES PASSED	SUBSCRIBERS	PURCHASES PROGRAMMING THROUGH AT&T
	InterMedia Capital Partners IV, L.P.	Various TCI Entities Institutional Investors InterMedia Capital Management IV, L.P. ICM-IV Capital Partners, LLC InterMedia Capital Management, LLC	44.580% limited 48.933% limited 1.186% limited 1.514% limited 0.001% mgp	940,000	595,000	Y
	Intermedia Capital Partners VI, L.P.	TCI IP-VI, LLC InterMedia Capital Management VI, LLC InterMedia Capital Management VI, L.P. Leo J. Hindery, Jr. Blackstone KC Offshore Capital Partners L.P.; Blackstone KC Capital Partners L.P.; Blackstone Family Investment Partnership III L.P.	49.005% limited .001% general .999% limited .495% limited 49.500% limited (combined interest)	653,000	424,000	Y
	Lenfest Communications, Inc.	LMC Lenfest, Inc. H.F. Lenfest; S. Morris/H. Brooks C/F Diane A.; S. Morris/H. Brooks C/F Brook J.S. Morris/H. Brooks C/F H. Chase	50.00% 50.00% combined	1,383,000	1,014,000	Y
	Clearview Partners	[LENFEST SUB]		15,000	10,000	Y
	Garden State Cable TV	[LENFEST SUB]		302,000	212,000	Y
	Raystay Co.	[LENFEST SUB]		86,000	61,000	Y
	Susquehanna	[LENFEST SUB]		215,000	169,000	Y

	ENTITY	OWNERSHIP	OWNERSHIP %	CABLE HOMES PASSED	SUBSCRIBERS	PURCHASES PROGRAMMING THROUGH AT&T
	Kansas City Cable Partners	Liberty Cable of Missouri, Inc. TCI of Overland Park, Inc. Time Warner Entertainment Company, L.P.	46.20% general 3.80% general 50.00% general	497,000 (These homes passed also are included in the TWE systems listed under the MediaOne Cable Ownership chart.)	307,000 (These subscribers also are included in the TWE systems listed under the MediaOne Cable Ownership chart.)	N
	Texas Cable Partners, L.P.	TCI Texas Cable Holdings LLC TCI Texas Cable, Inc. Time Warner Entertainment - Advance/Newhouse TWE-A/N Texas Cable Partners General Ptnr.	49.50% limited 0.50% general 49.50% limited 0.50% general	2,189,000 (These homes passed also are included in the TWE systems listed under the MediaOne Cable Ownership chart.)	1,109,000 (These subscribers also are included in the TWE systems listed under the MediaOne Cable Ownership chart.)	N
	Peak Cablevision, LLC	TCI American Cable Holdings III, L.P. Fisher Communications, L.L.C.	66.667% member 33.333% member	180,000	113,000	Y
	TCA Cable Partners II	TCI American Cable Holdings IV, L.P. TCA Holdings II, L.P. (a Texas limited partnership)	20.00% general 80.00% general	450,000	308,000	Y
	US Cable of Coastal - Texas, L.P.	TCI USC, Inc. US Cable Holdings, L.P.	37.06% limited 62.94% general	216,000	135,000	Y

	ENTITY	OWNERSHIP	OWNERSHIP %	CABLE HOMES PASSED	SUBSCRIBERS	PURCHASES PROGRAMMING THROUGH AT&T
	CAT Partnership	TCI Holdings II, Inc. Time Warner Entertainment Company, L.P. KBL Communications, Inc. Comcast Cable Communications, Inc.	33.333% general 16.667% general 16.667% general 33.333% general	57,000	39,000	Y
	Sioux Falls	Liberty of South Dakota, Inc. Midco of South Dakota, Inc.	50% general 50% general	98,000	65,000	Y

MEDIAONE CABLE OWNERSHIP

ENTITY	OWNERSHIP	OWNERSHIP %	CABLE HOMES PASSED	SUBSCRIBERS	WILL PURCHASE PROGRAMMING THROUGH AT&T
MediaOne	MediaOne	100%	8,530,000	4,970,000	Y
Time Warner Entertainment	MediaOne	25.51%	17,940,000	11,150,000	N
	Time Warner	74.49%			

APPENDIX B

COLE, RAYWID & BRAVERMAN, L.L.P.

ATTORNEYS AT LAW

SECOND FLOOR

1919 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-3458

(202) 659-9750

ALAN RAYWID
(1930-1991)

JUL 7 1999
OF COUNSEL
FRANCES J. CHETWYND
ELLEN S. DEUTSCH

FACSIMILE
RECEIVED
JUL 12 1999

INTERNET
WWW.CRBLAW.COM

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

July 7, 1999

99-251

JOHN P. COLE, JR.
BURT A. BRAVERMAN
ROBERT L. JAMES
JOHN D. SEVER
WESLEY R. HEPPLER
PAUL GLIST
DAVID M. SILVERMAN
JAMES F. IRELAND, III
STEVEN J. HORVITZ
CHRISTOPHER W. SAVAGE
ANN FLOWERS
ROBERT G. SCOTT, JR.
SUSAN WHELAN WESTFALL
THERESA A. ZETERBERG
KARLYN D. STANLEY
JOHN DAVIDSON THOMAS
JOHN C. DODGE
FREDERICK W. GIROUX
GEOFFREY C. COOK
MARIA T. BROWNE
DONNA C. RATTLEY
THOMAS SCOTT THOMPSON
ADAM S. CALDWELL
SANDRA GREINER GIBBS
JAMES W. TOMLINSON
MARK S. KRISTIANSEN
CHRISTIN S. MCMELEY*
HEATHER M. WILSON
DAVID N. TOBENKIN*

*ADMITTED IN OKLAHOMA ONLY
*ADMITTED IN CALIFORNIA ONLY

BY HAND DELIVERY

Federal Communications Commission

Transfer of Control

P. O. Box 358130

Pittsburgh, PA 15251-5130

Re: Transfer to AT&T Corp. of MediaOne's Interest in FCC Licenses
WNEE392 -- Long Beach, CA
WNEE393 -- Long Beach, CA
WNEE394 -- Norwalk, CA
Private Operational Fixed Microwave Service

Ladies and Gentlemen:

Enclosed please find FCC Form 415 requesting authority for the transfer from MediaOne to AT&T Corp. of MediaOne's interest in MediaOne of Lakewood, Inc. the licensee of the above-referenced facilities. We are also enclosing FCC Form 159 and a check in the amount of \$135.00 to cover the required filing fee.

Should you have any questions regarding this matter, please contact the undersigned.

Sincerely,



Wesley R. Heppler

Enclosure

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

APPROVED BY OMB 3060-0589

(1) LOCKBOX #

PAGE NO. 1 OF 1

SPECIAL USE

FCC USE ONLY

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)

Cole, Raywid & Braverman, L.L.P.

(3) TOTAL AMOUNT PAID (dollars and cents)

\$ **135.00**

(4) STREET ADDRESS LINE NO. 1

1919 Pennsylvania Avenue, N.W.

(5) STREET ADDRESS LINE NO. 2

Suite 200

(6) CITY

Washington

(7) STATE

DC

(8) ZIP CODE

20006

(9) DAYTIME TELEPHONE NUMBER (include area code)

202-659-9750

(10) COUNTRY CODE (if not in U.S.A.)

**IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)**

SECTION B - APPLICANT INFORMATION

(11) APPLICANT NAME (if paying by credit card, enter name exactly as it appears on your card)

AT&T Corp.

(12) STREET ADDRESS LINE NO. 1

32 Avenue of the Americas

(13) STREET ADDRESS LINE NO. 2

(14) CITY

New York

(15) STATE

NY

(16) ZIP CODE

10013

(17) DAYTIME TELEPHONE NUMBER (include area code)

(18) COUNTRY CODE (if not in U.S.A.)

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEETS (FORM 159-C)

SECTION C - PAYMENT INFORMATION

(19A) FCC CALL SIGN/OTHER ID

WNEE-392

(20A) PAYMENT TYPE CODE (PTC)

P A T M

(21A) QUANTITY

1

(22A) FEE DUE FOR (PTC) IN BLOCK 20A

\$ **45.00**

FCC USE ONLY

(23A) FCC CODE 1

(24A) FCC CODE 2

(19B) FCC CALL SIGN/OTHER ID

WNEE-393

(20B) PAYMENT TYPE CODE (PTC)

P A T M

(21B) QUANTITY

1

(22B) FEE DUE FOR (PTC) IN BLOCK 20B

\$ **45.00**

FCC USE ONLY

(23B) FCC CODE 1

(24B) FCC CODE 2

(19C) FCC CALL SIGN/OTHER ID

WNEE-394

(20C) PAYMENT TYPE CODE (PTC)

P A T M

(21C) QUANTITY

1

(22C) FEE DUE FOR (PTC) IN BLOCK 20C

\$ **45.00**

FCC USE ONLY

(23C) FCC CODE 1

(24C) FCC CODE 2

(19D) FCC CALL SIGN/OTHER ID

(20D) PAYMENT TYPE CODE (PTC)

(21D) QUANTITY

(22D) FEE DUE FOR (PTC) IN BLOCK 20D

FCC USE ONLY

(23D) FCC CODE 1

(24D) FCC CODE 2

SECTION D - TAXPAYER INFORMATION (REQUIRED)

(25)

PAYER TIN

0 5 2 0 8 2 0 0 7 1

(26) COMPLETE THIS BLOCK ONLY IF APPLICANT NAME IN B-11 IS DIFFERENT FROM PAYER NAME IN A-2

APPLICANT TIN

0 1 3 4 9 2 4 7 1 0

SECTION E - CERTIFICATION

(27) CERTIFICATION STATEMENT

I, Julie P. Gordy

(PRINT NAME)

, Certify under penalty of perjury that the foregoing and supporting information

are true and correct to the best of my knowledge, information and belief. SIGNATURE

Julie P. Gordy

SECTION F - CREDIT CARD PAYMENT INFORMATION

(28)

MASTERCARD/VISA ACCOUNT NUMBER:

EXPIRATION DATE:

MASTERCARD

☐

☐

MONTH YEAR

VISA

☐ I hereby authorize the FCC to charge my VISA or MASTERCARD
for the service(s)/authorization(s) herein described.

AUTHORIZED SIGNATURE

DATE

COLE, RAYWID & BRAVERMAN, L.L.P.

VENDOR FCC

CHECK NO. 58903
058903

OUR REF. NO.	YOUR INV. NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN
21694	06017993	06/17/99	FILING FEE/1203.22 135.00	135.00 Check total	.00 135.00

COLE, RAYWID & BRAVERMAN, L.L.P.
1919 PENNSYLVANIA AVENUE N.W.
WASHINGTON, DC 20006-3458

NATIONSBANK, N.A.
15-120-540

58903

CHECK NO. 058903 CHECK DATE 06/17/99 VENDOR NO. FCC

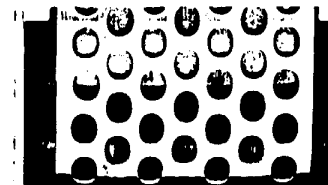
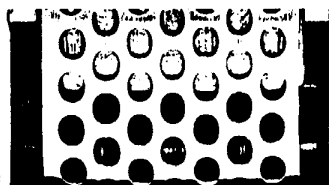
PAY ONE HUNDRED THIRTY-FIVE AND 00/100 DOLLARS*****

CHECK AMOUNT
\$*****135.00

TO THE ORDER OF
FEDERAL COMMUNICATIONS
COMMISSION

Qil A

⑈058903⑈ ⑆054001204⑆ 002086050069⑈



Security features included. Details on back.

FCC 415

Main Form

FEDERAL COMMUNICATIONS COMMISSIONApproved by OMB
3060-0747
Expires 12/31/99
Est. Avg. Burden Hours
Per Response: 7 hrs.**FCC Use Only**
(File Number)**Application for Authorization in the Microwave Services**

Parts 74 and 101

FEE Use Only**FILING FEE**

(a) Fee Type Code	(b) Fee Multiple	(c) Fee Due for Fee Type Code in (a)	(d) Total Amount Due	FEE Use Only
PATM	3	45.00	\$ 135.00	

APPLICANT

1. Legal Name of Applicant AT&T Corp.		2. Voice Telephone Number 202-457-2000	
3. Assumed Name Used for Doing Business (if any)		4. Fax Telephone Number 202-457-2571	
5. Mailing Address, Street or P.O. Box 32 Avenue of the Americas (1120 20th St., N.W., Washington, DC 20006) ATTENTION:			
6. City New York		7. State NY	8. Zip Code 10013
9. E-mail or Internet Address		10. Taxpayer Identification Number 13-4924710	
11. Name of Contact Representative (if other than applicant) Wesley R. Heppler, Esq./Julie P. Gordy, Legal Assistant		12. Voice Telephone Number 202-659-9750	
13. Contact Representative Firm or Company Name Cole, Raywid & Braverman, L.L.P.		14. Fax Telephone Number 202-452-0067	
15. Mailing Address, Street or P.O. Box 1919 Pennsylvania Avenue, N.W., Suite 200			
16. City Washington		17. State DC	18. Zip Code 20006

CLASSIFICATION OF FILING

19. Type of Applicant (C) Individual Partnership Corporation Unincorporated Association Governmental Entity		
20. Does applicant qualify as a Non-Commercial Educational Broadcaster? (N) Yes No		
21. If this filing is an Amendment to a pending application: File number of Pending application: N/A	Receipt Date: N/A	22. Eligibility Rule Section 101.7
23. Service Type Code OFS		
24. Does this filing propose a waiver or exception to the Commission's Rules? *If "yes", attach exhibit explaining circumstances. (N) Yes No		
25. Does this filing pose potential interference to Geostationary Satellite Operation? *If "yes", attach exhibit explaining circumstances. (N) Yes No		
26. Is notification to the National Radio Astronomy Observatory required? If "Yes", provide date of notification: (N) Yes No		
27. If this filing is in reference to an existing station at the same location, give the call sign. If this filing is for a Transfer of Control or Assignment of Authorization, list all call signs to be transferred or assigned: WNEE-392 (Long Beach, CA) WNEE-393 (Long Beach, CA) WNEE-394 (Norwalk, CA)		

ADMINISTRATIVE INFORMATION

28. The purpose of this filing is to: (H) Enter one or more letters that correctly describes the purpose of this filing.	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;">A</td><td>request an initial authorization for a new station (all)</td></tr> <tr><td>B</td><td>request authorization for modification of an existing licensed station (all)</td></tr> <tr><td>C</td><td>request authorization for a minor modification (Private and Common Carrier)</td></tr> <tr><td>D</td><td>request authorization to renew an existing licensed station (all)</td></tr> <tr><td>E</td><td>request authorization to reinstate an expired licensed station (all)</td></tr> <tr><td>F</td><td>request a full assignment of a radio station authorization (Private)</td></tr> <tr><td>G</td><td>request authorization of a developmental station (Private and Common Carrier)</td></tr> <tr><td>H</td><td>request authorization for transfer of control (Private)</td></tr> <tr><td>I</td><td>request authorization to convert from Private to Common Carrier (Common Carrier)</td></tr> <tr><td>J</td><td>request amendment to a pending application (all)</td></tr> </table>	A	request an initial authorization for a new station (all)	B	request authorization for modification of an existing licensed station (all)	C	request authorization for a minor modification (Private and Common Carrier)	D	request authorization to renew an existing licensed station (all)	E	request authorization to reinstate an expired licensed station (all)	F	request a full assignment of a radio station authorization (Private)	G	request authorization of a developmental station (Private and Common Carrier)	H	request authorization for transfer of control (Private)	I	request authorization to convert from Private to Common Carrier (Common Carrier)	J	request amendment to a pending application (all)
A	request an initial authorization for a new station (all)																				
B	request authorization for modification of an existing licensed station (all)																				
C	request authorization for a minor modification (Private and Common Carrier)																				
D	request authorization to renew an existing licensed station (all)																				
E	request authorization to reinstate an expired licensed station (all)																				
F	request a full assignment of a radio station authorization (Private)																				
G	request authorization of a developmental station (Private and Common Carrier)																				
H	request authorization for transfer of control (Private)																				
I	request authorization to convert from Private to Common Carrier (Common Carrier)																				
J	request amendment to a pending application (all)																				
29. If this filing is for modification of an existing licensed station, or is for a partial assignment of authorization, specifically describe changes requested. N/A																					
30. Number of associated applications filed as a system. N/A	31. FCC File Numbers of associated applications filed as a system, if known N/A																				
32. Type of MAS Operation ()	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; vertical-align: top;"> Two-way master-remote One-way outbound One-way Inbound </td> <td style="width: 33%; vertical-align: top;"> Mobile meter reader Subfrequency operation Multiple master operation </td> <td style="width: 34%; vertical-align: top;"> 33. Requested Authorization Expiration Date <div style="display: flex; justify-content: space-between;"> Month Day </div> </td> </tr> </table>	Two-way master-remote One-way outbound One-way Inbound	Mobile meter reader Subfrequency operation Multiple master operation	33. Requested Authorization Expiration Date <div style="display: flex; justify-content: space-between;"> Month Day </div>																	
Two-way master-remote One-way outbound One-way Inbound	Mobile meter reader Subfrequency operation Multiple master operation	33. Requested Authorization Expiration Date <div style="display: flex; justify-content: space-between;"> Month Day </div>																			

POINT OF CONTACT FOR TECHNICAL OPERATIONS

34. Mailing address street or geographical description 550 North Continental Boulevard, Suite 250		35. Voice Telephone Number 310-647-3000
36. City El Segundo	37. State CA	38. Zip code 90245

BROADCAST AUXILIARY APPLICANTS

39. Name of Broadcast Auxiliary frequency coordinator	40. Voice Telephone Number
41. Call Sign of associated Broadcast Station, if any	42. Radio Service Code of associated Broadcast Station

TRANSFER OF CONTROL APPLICANTS

43. Is this a pro forma Transfer of Control? (Y) Yes No		
44. Is each station named in item 27 of this filing constructed and operational? (Y) Yes No		
45. Name of Transferee AT&T Corp.		
46. Transferee's Mailing Address, Street 32 Avenue of the Americas (1120 20th St., N.W., Washington, DC 20036)		
47. City New York	48. State NY	49. Zip code 10013

ENVIRONMENTAL POLICY

50. Would a Commission grant of any proposal in this application or amendment have a significant environmental effect as defined by 47 CFR 1.1307? <small>• If "yes", attach environmental assessment as required by 47CFR 1.1308 and 47 CFR 1.1311.</small>	(N) Yes No
--	--------------------

FOREIGN GOVERNMENT REPRESENTATION

51. Is the applicant a foreign government or the representative of any foreign government?	(N) Yes No
---	--------------------

COMMON CARRIER APPLICANTS - ALIEN OWNERSHIP

52. Is the applicant an alien or the representative of an alien?*	() Yes No
53. Is the applicant a corporation organized under the laws of any foreign government?*	() Yes No
54. Is the applicant a corporation of which any officer or director is an alien or of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?*	() Yes No
55. Is the applicant a corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens, or of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country? <small>• If "yes", attach exhibit explaining nature and extent of alien or foreign ownership or control.</small>	() Yes No

*If yes, attach exhibit explaining circumstances.

BASIC QUALIFICATIONS

(To be completed by Private Operational Fixed and Common Carrier applicants only.)

56. Has the applicant or any party to this application or amendment had any FCC station authorization, license or construction permit revoked or had any application for an initial, modification or renewal of FCC station authorization, license, construction permit denied by the Commission?*	(N) Yes No
57. Has the applicant, or any part to this application or amendment, or any party directly or indirectly controlling the applicant ever been convicted of a felony by any state or federal court?*	(N) Yes No
58. Has any court finally adjudged the applicant, or any person directly or indirectly controlling the applicant, guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement or any other means or unfair methods of competition?*	(N) Yes No
59. Is the applicant, or any person directly or indirectly controlling the applicant, currently a party in any pending matter referred to in the preceding two items?*	(N) Yes No
60. Is this a Common Carrier corporation? <small>If "Yes", attach exhibit showing names, addresses and citizenship of those stockholders owning of record and/or voting 10 percent or more of the filer's voting stock and the percentages so held. In the case of fiduciary control, indicate the beneficiary(ies) or class of beneficiaries. Also list the names and addresses of the officers and directors of the applicant as well as any controlling corporations. If this information is currently up to date and on file with the Commission, this additional exhibit is not required with this filing.</small>	(N) Yes No

* If "yes", attach exhibit explaining circumstances.

CERTIFICATION

The APPLICANT waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in accordance with this application. The applicant certifies that neither the applicant nor any other party to the application* is subject to a denial of Federal benefits, that includes FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C., Section 862, because of a conviction for possession or distribution of a controlled substance. All statements made in exhibits are a material part hereof and are incorporated herein as if set out in full in this application. The undersigned, individually and for the applicant, hereby certifies that all statements made in this application and in all attached exhibits are true, complete and correct to the best of his or her knowledge and belief, and are made in good faith.

*See 47 CFR 1.2002(b) for the meaning of "party to the application" for these purposes.

61. Typed Name of Person Signing Rick D. Bailey	62. Title Vice President
63. Signature 	64. Date July 1, 1999

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).